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PUBLIC DEBT—1984

HEARING

BEFORE THE

SUBCOMMITTEE ON
TAXATION AND DEBT MANAGEMENT

OF THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

APRIL 12, 1984

Printed for the use of the Committee on Finance

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PUBLIC DEBT—1984

THURSDAY, APRIL 12, 1984

U.S. SENATE,
COMMITTEE ON FINANCE,
SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT,
Washington, DC.

The committee met, pursuant to notice, at 1:32 p.m., in room SD-215, Dirksen Senate Office Building, Hon. Bob Packwood presiding.

Present: Senator Packwood.

[The press release announcing the hearing and a report from the Joint Committees on Taxation follows:]

[For immediate release, April 6, 1984]

FINANCE SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT SETS HEARING ON PUBLIC DEBT—1984

Senator Bob Packwood, Chairman of the Subcommittee on Taxation and Debt Management, announced today that a hearing on raising the limit on the public debt has been scheduled. Thomas J. Healey, Assistant Secretary of the Treasury for Domestic Finance, will testify on the public debt at 1:30 p.m., Thursday, April 12, 1984, in Room SD-215 of the Dirksen Senate Office Building.

Written testimony.—The Subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies by Thursday, April 26, 1984, to Roderick A. DeArment, Chief Counsel, Committee on Finance, Room SD-219, Dirksen Senate Office Building, Washington, D.C. 20510.

JOINT COMMITTEE ON TAXATION, APRIL 12, 1984

INCREASE IN PUBLIC DEBT LIMIT

(Scheduled for public hearing by the Subcommittee on Taxation and Debt Management of the Committee on Finance, April 12, 1984)

Present law

The permanent limit on the public debt is $1,490 billion. This limit was enacted on November 21, 1983.

Current situation

At the close of business on April 6, 1984, the outstanding public debt subject to the limit was $1,489.1 billion; however, on April 4, the outstanding public debt was $1,489,989 million, only $11 million below the statutory limit.

The outstanding public debt increased from $1,464.5 billion on Friday, March 30, 1984, to $1,489.8 billion on Monday, April 2, 1984. Of this increase, approximately $18 billion consisted of a loan to the OASDI trust fund which is to be repaid during the month from trust fund receipts. This loan is required at the start of each month under the provisions of the Social Security Amendments of 1983.

The Treasury operating cash balance has fluctuated between $6.7 and $14.2 billion so far during April. Treasury's preferred operating cash balance level is $20 billion.

Administration estimate

In the revised budget estimates for fiscal year 1985 transmitted to Congress on April 10, 1984, the Administration estimated that it would require an increase in the statutory debt limit to $1,584 billion through the remainder of fiscal year 1984 and an additional $240 billion increase to $1,824 billion through fiscal year 1985. These estimates assume unified budget deficits of $193 and $194 billion in fiscal year 1984 and 1985, respectively, and off-budget agency deficits of about $15 billion in each year. In addition, the estimates assume a $20 billion operating cash balance. Treasury usually requests an additional $5 billion allowance for contingencies, which would raise the debt limit requests to $1,589 and $1,829 billion, respectively.

Senator PACKWOOD. The hearing will come to order, please. We have before us today the issue of raising the debt ceiling of the United States. We have these hearings periodically for the purpose of raising the debt ceiling. We then spend the amount of money and borrow the amount of money permitted by the debt ceiling. We commit ourselves to spend more money, since as we don't have a balanced budget we then need to borrow more money to finance obligations that we have already promised to undertake. The debt ceiling is nothing more than an acknowledgment or a commitment, to borrow the money for programs that we have already voted on. We have already promised to spend the money on them, and we are simply now accommodating the Government's need to carry out the commitments that the Government has already promised it would undertake.

We have with us today Hon. Thomas J. Healey, the Assistant Secretary of the Treasury for Domestic Finance, to present the administration's position on the debt ceiling. Mr. Secretary?

STATEMENT OF HON. THOMAS J. HEALEY, ASSISTANT SECRETARY OF THE TREASURY FOR DOMESTIC FINANCE, WASHINGTON, DC

Secretary HEALEY. Good afternoon. Our immediate need is for legislation to increase the debt limit. The present debt limit of $1,490,000,000,000 is expected to be adequate to meet the Treasury's needs for the remainder of the month of April, but will clearly not be adequate to meet our needs in May. Without new legislation, the Treasury will be unable to borrow the money needed to pay its bills. We have prepared a statement for the record, and I would suggest that we let it stand on that.

[The prepared statement of Secretary Healey follows:]

STATEMENT OF HON. THOMAS J. HEALEY, ASSISTANT SECRETARY OF THE TREASURY (DOMESTIC FINANCE)

Mr. Chairman and Members of the Committee, my purpose here today is to advise you of the need for Congressional action to increase the public debt limit and to provide additional authority to issue long-term marketable Treasury bonds.

DEBT LIMIT

Our immediate need is for legislation to increase the debt limit.

The present debt limit of $1,490 billion is expected to be adequate to meet the Treasury's needs for the remainder of this month, but it will clearly not be adequate to meet our needs in May. Without new legislation, the Treasury will be unable to borrow the money needed to pay its bills.

Based on the April 10 Budget estimates of FY 1984 and FY 1985 budget deficits of $177.8 billion and $179.0 billion, respectively, and of other transactions affecting debt subject to limit, the amount of debt subject to limit outstanding on September 30, 1984 and September 30, 1985 will total $1,584 billion and $1,824 billion, respectively, assuming a $20 billion cash balance on those dates. Given these projected debt levels, and allowing a $5 billion margin for contingencies, we request that the debt limit be increased to $1,589 billion through September 30, 1984 and $1,829 billion through September 30, 1985, the latter being our preference.

We recognize that Congress has not yet completed action on the first budget resolution for FY 1985 and that that resolution may contain a different debt limit figure for FY 1985. We would urge that any budget resolution debt limit figure incorporate our recommended $5 billion margin for contingencies and our assumption that the cash balance at the end of FY 1985 will be $20 billion.

The budget resolution adopted by the House on April 5 contains a debt limit figure of $1,596 billion for September 30, 1984, which is $7 billion above our request, and of $1,834 billion for September 30, 1985, which is $5 billion above our request. Thus, the debt figures in the House budget resolution are adequate to meet our estimated needs.

Our current request for an increase in the debt limit reflects the new investment provisions of the Social Security Amendments of 1983. That Act provides that tax receipts which would otherwise be credited to the Social Security trust funds as received during a month be credited to the trust funds on the first day of the month. We estimate that social security tax receipts for the month of May will be about $15 billion. These funds are supposed to be invested immediately in public debt securities; however, full investment on May 1 will very likely not be possible under the present $1,490 billion debt ceiling.

Timely action on the debt ceiling is essential to avoid a repetition of past dislocations which have hampered Treasury financing operations. In recent years, delays in action on the debt limit have generated market uncertainty about Treasury financing schedules and on several occasions costly emergency measures have been undertaken, including suspension of savings bond sales, cancellation of scheduled security auctions and failure to fully invest trust funds. In this regard, following our normal financing schedule, the Department would ordinarily announce on May 2 auctions on May 8, 9, and 10 of about $16 billion or more of 3-year, 10-year and 30-year securities which would settle on May 15. Without assurance of timely Congressional action on the debt limit legislation these and other scheduled auctions may have to be postponed, and the increased market uncertainty, because of the disruption of our scheduled auctions, will add to the cost of Treasury financing.

Finally, prompt action on the debt limit bill is absolutely essential to permit the Government to pay its bills. If the Congress does not act and the debt limit is not increased, the Government will literally be unable to meet all of its essential obligations when they fall due—social security checks, payroll checks, unemployment checks, defense contracts, and principal and interest on its securities. Based on our present estimates, the debt limit must be increased no later than May 15 to assure that the Government will be able to meet these obligations.

LONG-TERM BONDS

Now, I would like to bring to your attention our need for additional authority to issue marketable Treasury bonds.

The maximum interest rate that the Treasury may pay on marketable bonds (securities with maturities in excess of 10 years) has long been limited by law to 4¼ percent. This limit did not become a serious obstacle to Treasury issues of new bonds until the mid-1960's. At that time market rates of interest rose above 4¼ percent and the Treasury was precluded from issuing new bonds. The average length of the privately-held marketable debt of the Treasury declined steadily from 5¾ years in mid-1965 to about 2½ years in 1975, because of the heavy reliance by the Treasury on short-term bill financing of the budget deficits during this period.

In 1971, Congress authorized the Treasury to issue up to $10 billion of bonds without regard to the 4¼-percent ceiling. The dollar limit since has been increased from time to time, most recently on May 26, 1983, when the limit was raised by $40 billion (from $110 billion to $150 billion) to accommodate additional long-term financing.

Since 1975 the Treasury's debt extension policies have moved the average length of the marketable debt from 2 years, 5 months in January 1976 to 4 years, 3 months in February 1984, thus reducing the administrative burden and the market-disrupting effects of frequent Treasury operations to refund maturing issues. Yet while the

Treasury has significantly improved the maturity structure of the debt in recent years, almost one half of outstanding marketable debt matures within one year. This refunding requirement must be added to Treasury's new cash borrowing requirement to meet Treasury's total needs in the market. Because of the short average maturity of outstanding Treasury debt, long bond issuance must remain an integral part of Treasury's debt management policy.

We continue to believe that the 4¼-percent ceiling should be repealed. This Administration abhors interest rate ceilings as ineffective attempts to control prices and incompatible with our commitment to a free market pricing system. We view the interest rate ceiling on marketable bonds as an anachronism which serves only to frustrate the efficient management of the public debt. Removal of the 4¼-percent ceiling on Treasury marketable bonds will help the Treasury meet its financing needs in an efficient, cost-effective manner. Interest on the public debt is estimated to total a record $172.1 billion in FY 1985. We must make every effort to reduce this staggering cost to the taxpayer. Especially at this time of severe budget stringency, we must not add to our budget costs by mismanaging the public debt.

As to our current need for additional bond authority, assuming continuation of our recent pattern of long bond issuance, the existing $150 billion authority will be exhausted early in calendar 1985. If the interest rate ceiling on long bonds is not abolished, as we believe it should be, we would request an increase in long bond authority of $50 billion, from $150 billion to $200 billion, which would be sufficient to carry us through 1985.

That concludes my prepared statement, Mr. Chairman. I will be happy to respond to your questions.

Senator PACKWOOD. Let me ask you, if I might, Mr. Secretary—let's make an assumption. Let's assume we don't pass any increase in the debt ceiling and the Treasury cannot borrow sufficient money to pay the bills. What will happen?

Secretary HEALEY. That is obviously a very good question. We are in the position, because the debt ceiling itself is permanent, that we can roll over financing obligations as they become due. If, for instance, $10 billion in debt becomes due on a given day, we can borrow $10 billion new to replace that, but we can only——

Senator PACKWOOD. But you can only stay within the existing debt ceiling?

Secretary HEALEY. That is correct, but according to our projections, sometime, either the 15th of May or soon thereafter, the obligations that are already committed that have to be paid, all the way from payroll to defense spending, are so large that we will literally run out of cash. At that point there won't be cash in our Federal Reserve account to pay the obligations that are in the pipelines from all the various disbursing agencies that will all send checks out. Chairman Volker has written the Secretary saying he would like instructions as to what to do at that point. At that point, there is no money to pay them. The Federal Reserve has no money or authority to pay them. And presumably, at some point, unless we get an instantaneous infusion of cash, those checks will bounce.

Senator PACKWOOD. Aren't these really our alternatives: Either we can dramatically increase taxes very quickly, to balance the budget, or we can have some draconian spending cuts beyond anything even the administration has suggested—let alone anybody in the Congress. By draconian cuts I mean cuts of a magnitude that none of us can imagine. If we don't do either of those, we have to borrow the money to pay the debts for the commitments that we have already undertaken.

Secretary HEALEY. Quite honestly, Mr. Chairman, either of those draconian things, in all likelihood, will not solve the very short-term problem of just plain running out of cash.

Senator PACKWOOD. No; you are right. Even though those are draconian, we are so close to the debt ceiling limit now, that if we pass the tax increases today or pass the cuts today, we would not implement them in time to avoid the debt ceiling limitation problem.

Secretary HEALEY. That is absolutely correct.

Senator PACKWOOD. Mr. Secretary, I have no other questions. I will state that I think a vote on the debt ceiling is not a vote as to whether or not you are a fiscal conservative. If you don't like the spending that we are undertaking you should be voting either against what we are spending or for tax increases. When we get to the debt ceiling, it is nothing but an acknowledgment of commitments that we have already made—Republican, Democrat, House, Senate, conservative, liberal, President, Congress. And having made those commitments. I feel honorbound to honor them.

Secretary HEALEY. You find no disagreement on our end of Pennsylvania Avenue.

Senator PACKWOOD. Mr. Secretary, thank you. The hearing is adjourned.

Secretary HEALEY. Thank you very much.

[Whereupon, at 1:36 p.m., the hearing was concluded.]

[The Long tables follow:]

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Additional Information

for Debt Limit Hearing
before the Subcommittee on Taxation
and Debt Management

April 12, 1984

TABLE ONE
ESTIMATED NET GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

YEAR	PRIVATE(1) CORPORATE	PRIVATE(1) OTHER	PRIVATE(1) TOTAL	STATE AND LOCAL	(2) FEDERAL	TOTAL NET DEBT	PERCENT FEDERAL OF TOTAL
1929	88 9	72 9	161 8	13 6	16 5	191 9	8 6
1930	89 3	71 8	161 1	14 7	16 5	192 3	8 6
1931	83 5	64 9	148 4	16 0	18 5	182 9	10 1
1932	80 0	57 1	137 1	16 6	21 3	175 0	12 2
1933	76 9	51 0	127 9	16 3	24 3	168 5	14 4
1934	75 5	49 8	125 3	15 9	30 4	171 6	17 7
1935	74 8	49 7	124 5	16 1	34 4	175 0	19 7
1936	76 1	50 6	126 7	16 2	37 7	180 6	20 9
1937	75 8	51 1	126 9	16 1	39 2	182 2	21 5
1938	73 3	50 0	123 3	16 1	40 5	179 9	22 5
1939	73 5	50 8	124 3	16 4	42 6	183 3	23 2
1940	75 6	53 0	128 6	16 4	44 8	189 8	23 6
1941	83 4	55 6	139 0	16 1	56 3	211 4	26 6
1942	91 6	49 9	141 5	15 4	101 7	258 6	39 3
1943	95 5	48 8	144 3	14 5	154 4	313 2	49 3
1944	94 1	50 7	144 8	13 9	211 9	370 6	57 2
1945	85 3	54 7	140 0	13 4	252 5	405 9	62 2
1946	49 5	66 3	115 8	14 9	228 0	358 7	63 6
1947	56 7	80 4	137 1	16 3	220 8	374 2	59 0
1948	62 8	93 3	156 1	18 5	215 1	389 7	55 2
1949	64 6	104 1	168 7	21 0	217 7	407 4	53 4
1950	71 3	123 0	194 3	24 4	216 5	435 2	49 7
1951	79 6	135 7	215 3	26 6	216 1	458 0	47 2
1952	86 8	152 4	239 2	30 2	221 4	490 9	45 1
1953	91 0	168 6	259 6	34 5	228 1	522 6	43 7
1954	95 9	183 1	279 0	40 6	230 8	550 5	41 9
1955	104 2	212 4	316 7	45 9	230 0	592 6	38 8
1956	114 8	232 2	347 0	49 5	224 2	620 7	36 1
1957	124 7	250 5	375 2	53 7	222 0	650 8	34 1
1958	133 2	268 4	401 5	59 2	231 3	692 0	33 4
1959	143 5	302 3	445 9	65 5	238 3	749 7	31 8
1960	154 3	328 3	482 6	70 8	236 3	789 6	29 9
1961	165 1	355 1	520 1	75 9	243 5	839 4	29 0
1962	177 5	391 1	568 5	81 2	250 5	900 2	27 8
1963	190 2	437 7	627 9	86 9	254 4	969 3	26 3
1964	203 0	486 2	689 2	92 9	260 7	1042 8	25 0
1965	221 6	540 1	761 6	100 3	262 4	1124 4	23 3
1966	244 1	586 0	830 0	105 9	266 1	1202 0	22 1
1967	269 5	626 6	896 0	113 7	279 1	1288 8	21 7
1968	296 5	691 3	987 8	123 2	292 6	1403 7	20 8
1969	325 5	766 4	1091 8	133 1	289 0	1514 0	19 1
1970	355 0	821 7	1176 7	144 4	300 8	1621 9	18 5
1971	380 1	910 0	1290 1	161 8	325 7	1777 6	18 3
1972	412 5	1047 4	1459 9	176 5	340 8	1977 2	17 2
1973	461 3	1208 2	1669 4	191 2	349 1	2209 7	15 8
1974	527 4	1335 4	1862 8	207 7	360 8	2431 4	14 8
1975	548 5	1429 8	1978 3	223 8	446 3	2648 4	16 9
1976	591 5	1598 7	2190 1	239 5	515 8	2945 4	17 5
1977	662 6	1830 3	2492 9	262 9	572 5	3328 4	17 2
1978	741 1	2147 6	2888 7	291 3	626 2	3806 2	16 5
1979	836 5	2477 1	3313 5	321 6	663 6	4298 7	15 4
1980	912 0	2737 7	3649 7	351 9	742 8	4744 3	15 7
1981	1010 8	3020 3	4031 1	373 7	830 1	5234 9	15 9
1982	1086 4	3187 9	4274 3	424 3	991 4	5689 9	17 4
1983	1143 3	3541 4	4684 7	468 6	1177 9	6331 2	18 6

TABLE TWO
ESTIMATED PER CAPITA NET GOVERNMENT AND PRIVATE DEBT(3)

YEAR	PRIVATE(1) CORPORATE	PRIVATE(1) OTHER	PRIVATE(1) TOTAL	STATE AND LOCAL	(2) FEDERAL	TOTAL NET DEBT
1929	726	595	1321	111	135	1567
1930	722	581	1303	119	133	1556
1931	671	521	1192	129	149	1469
1932	639	456	1095	133	170	1397
1933	610	405	1015	129	193	1337
1934	595	393	988	125	240	1353
1935	586	389	975	126	269	1370
1936	592	394	986	126	293	1406
1937	586	395	981	124	303	1409
1938	562	383	945	123	311	1379
1939	557	384	941	124	323	1388
1940	567	398	965	123	336	1424
1941	619	413	1032	120	418	1570
1942	672	366	1038	117	746	1896
1943	691	353	1044	105	1117	2267
1944	673	363	1036	99	1516	2652
1945	604	387	991	95	1788	2874
1946	345	462	807	104	1590	2501
1947	388	551	939	112	1510	2560
1948	423	628	1051	124	1448	2623
1949	428	688	1116	139	1440	2696
1950	464	801	1265	159	1409	2833
1951	509	869	1378	170	1382	2930
1952	546	959	1505	190	1393	3088
1953	563	1043	1606	213	1413	3232
1954	583	1112	1695	247	1403	3344
1955	622	1268	1890	274	1373	3537
1956	673	1361	2034	290	1314	3639
1957	718	1444	2162	309	1279	3751
1958	755	1521	2276	336	1311	3922
1959	800	1686	2486	365	1329	4179
1960	846	1801	2647	388	1296	4332
1961	891	1917	2808	409	1314	4532
1962	944	2080	3024	432	1232	4788
1963	998	2295	3293	456	1334	5084
1964	1051	2516	3567	481	1349	5397
1965	1133	2762	3895	513	1342	5750
1966	1234	2964	4198	536	1346	6079
1967	1349	3135	4484	569	1397	6450
1968	1470	3426	4896	611	1450	6957
1969	1597	3759	5356	653	1418	7427
1970	1719	3980	5699	699	1457	7855
1971	1820	4355	6175	774	1559	8509
1972	1955	4965	6920	837	1615	9371
1973	2166	5674	7840	898	1639	10378
1974	2454	6213	8667	966	1679	11312
1975	2526	6587	9113	1031	2056	12199
1976	2699	7293	9992	1093	2353	13438
1977	2992	8264	11256	1187	2585	15028
1978	3310	9593	12903	1301	2797	17001
1979	3694	10939	14633	1420	2930	18983
1980	3985	11961	15946	1537	3245	20728
1981	4374	13072	17446	1617	3593	22656
1982	4657	13667	18324	1819	4250	24392
1983	4857	15046	19903	1991	5004	26898

TABLE THREE

NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

YEAR	GROSS NATIONAL PRODUCT	PRIVATE(1)			STATE AND LOCAL	(2) FEDERAL	TOTAL NET DEBT
		CORPORATE	OTHER	TOTAL			
	(BILLION $)	(DEBT AS A PERCENT OF GROSS NATIONAL PRODUCT)					
1929	103 4	86 0	70 5	156 4	13 2	16 0	185 6
1930	90 7	98 5	79 2	177 6	16 2	18 2	212 0
1931	76 1	109 8	85 3	195 1	21 0	24 3	240 4
1932	58 3	137 3	98 0	235 2	28 5	36 5	300 3
1933	55 8	137 8	91 4	229 1	29 2	43 5	301 9
1934	65 3	115 6	76 3	191 9	24 4	46 6	262 8
1935	72 5	103 2	68 6	171 7	22 2	47 5	241 4
1936	82 7	92 0	61 2	153 1	19 6	45 6	218 3
1937	90 9	83 4	56 2	139 6	17 7	43 1	200 5
1938	85 0	86 2	58 8	145 0	18 9	47 6	211 6
1939	90 9	80 8	55 9	136 7	18 0	46 9	201 6
1940	100 0	75 6	53 0	128 6	16 4	44 8	189 8
1941	125 0	66 7	44 5	111 2	12 9	45 0	169 1
1942	158 5	57 8	31 5	89 3	9 7	64 2	163 2
1943	192 1	49 7	25 4	75 1	7 5	80 4	163 0
1944	210 6	44 7	24 1	68 7	6 6	100 6	175 9
1945	212 4	40 2	25 7	65 9	6 3	118 9	191 1
1946	209 8	23 6	31 6	55 2	7 1	108 7	170 9
1947	233 1	24 3	34 5	58 8	7 0	94 7	160 6
1948	259 5	24 2	35 9	60 2	7 1	82 9	150 2
1949	258 3	25 0	40 3	65 3	8 1	84 3	157 7
1950	286 5	24 9	42 9	67 8	8 5	75 8	151 9
1951	330 8	24 1	41 0	65 1	8 0	65 3	138 5
1952	348 0	24 9	43 8	68 7	8 7	63 6	141 1
1953	366 8	24 8	46 0	70 8	9 4	62 3	142 5
1954	366 8	26 1	49 9	76 1	11 1	62 9	150 1
1955	400 0	26 1	53 1	79 2	11 5	57 5	148 1
1956	421 7	27 2	55 1	82 3	11 7	53 2	147 2
1957	444 0	28 1	56 4	84 5	12 1	50 0	146 6
1958	449 7	29 6	59 7	89 3	13 2	51 4	153 9
1959	487 9	29 4	62 0	91 4	13 4	48 8	153 7
1960	506 5	30 5	64 8	95 3	14 0	46 6	155 9
1961	524 6	31 5	67 7	99 2	14 5	46 4	160 0
1962	565 0	31 4	69 2	100 6	14 4	44 3	159 3
1963	596 7	31 9	73 3	105 2	14 6	42 6	162 4
1964	637 7	31 8	76 2	108 1	14 6	40 9	163 5
1965	691 1	32 1	78 2	110 2	14 5	38 0	162 7
1966	756 0	32 3	77 5	109 8	14 0	35 2	159 0
1967	799 6	33 7	78 4	112 1	14 2	34 9	161 2
1968	873 4	34 0	79 2	113 1	14 1	33 5	160 7
1969	944 0	34 5	81 2	115 7	14 1	30 6	160 4
1970	992 7	35 8	82 8	118 5	14 5	30 3	163 4
1971	1077 6	35 3	84 4	119 7	15 0	30 2	165 0
1972	1185 9	34 8	88 3	123 1	14 9	28 7	166 7
1973	1326 4	34 8	91 1	125 9	14 4	26 3	166 6
1974	1434 2	36 8	93 1	129 9	14 5	25 2	169 5
1975	1549 2	35 4	92 3	127 7	14 4	28 8	170 9
1976	1718 0	34 4	93 1	127 5	13 9	30 0	171 4
1977	1918 3	34 5	95 4	130 0	13 7	29 8	173 5
1978	2163 9	34 2	99 3	133 5	13 5	28 9	175 9
1979	2417 8	34 6	102 5	137 0	13 3	27 4	177 8
1980	2631 7	34 7	104 0	138 7	13 4	28 2	180 3
1981	2954 1	34 2	102 2	136 5	12 7	28 1	177 2
1982	3073 0	35 4	103 7	139 1	13 8	32 3	185 2
1983	3309 5	34 5	107 0	141 6	14 2	35 4	191 3

TABLE FOUR
ESTIMATED FEDERAL DEBT RELATED TO POPULATION AND PRICES

	OUTSTANDING FEDERAL DEBT			PER CAPITA FEDERAL DEBT(3)			REAL PER CAPITA FEDERAL DEBT(4)		
YEAR	GROSS(5)	NET(2)	PRIVATELY HELD(6)	GROSS(5)	NET(2)	PRIVATELY HELD(6)	GROSS(5)	NET(2)	PRIVATELY HELD (6)
1929	18 7	16 5	16 0	153	135	131	298	263	255
1930	18 6	16 5	15 8	150	133	128	301	267	256
1931	20 4	18 5	17 7	164	149	142	359	326	312
[illegible]	[illegible]	21 3	19 4	185	170	155	453	416	379
1933	26 8	24 3	21 9	213	193	174	548	497	448
1934	38 1	30 4	28 0	300	240	221	749	598	550
1935	41 8	34 4	32 0	327	269	251	796	655	610
1936	46 2	37 7	35 3	360	293	275	866	707	662
1937	48 9	39 2	36 6	378	303	283	879	705	658
1938	51 8	40 5	37 9	397	311	291	941	736	689
1939	55 7	42 6	40 1	422	323	304	1014	775	730
1940	59 4	44 8	42 6	446	336	320	1061	800	761
1941	73 3	56 3	54 0	544	418	401	1234	948	909
1942	119 2	101 7	95 5	874	746	700	1791	1528	1435
1943	176 1	154 4	142 9	1275	1117	1034	2480	2157	1997
1944	236 6	211 9	193 1	1693	1516	1382	3212	2877	2622
1945	281 1	252 5	228 2	1990	1788	1616	3693	3317	2998
1946	261 9	228 0	206 1	1826	1590	1437	3122	2718	2457
1947	256 8	220 8	199 1	1758	1512	1363	2628	2260	2038
1948	253 6	215 1	192 0	1707	1448	1292	2367	2008	1792
1949	257 7	217 7	197 7	1705	1440	1308	2388	2017	1832
1950	257 6	216 5	196 6	1677	1409	1280	2326	1955	1775
1951	259 7	216 1	193 1	1661	1382	1235	2136	1777	1588
1952	267 8	221 4	196 8	1685	1393	1238	2119	1752	1557
1953	275 6	228 4	200 0	1704	1413	1237	2128	1764	1544
1954	278 8	230 8	204 2	1694	1403	1241	2104	1742	1541
1955	282 1	230 0	204 8	1684	1373	1223	2100	1712	1524
1956	278 9	224 2	199 4	1635	1314	1169	2009	1615	1436
1957	280 6	222 0	198 8	1617	1279	1146	1916	1517	1359
1958	286 8	231 3	204 7	1625	1311	1160	1877	1513	1340
1959	300 1	238 3	214 8	1673	1329	1197	1916	1522	1372
1960	300 5	236 3	212 4	1648	1296	1165	1859	1461	1314
1961	307 4	243 5	217 8	1659	1314	1176	1852	1467	1312
1962	315 8	250 5	222 8	1680	1332	1185	1854	1470	1308
1963	322 2	254 4	223 9	1690	1334	1174	1843	1455	1281
1964	332 5	260 7	227 0	1721	1349	1175	1852	1452	1265
1965	336 7	262 4	225 6	1722	1342	1154	1822	1420	1221
1966	353 6	266 1	227 5	1788	1346	1151	1840	1384	1184
1967	382 0	279 1	237 3	1912	1397	1188	1912	1397	1188
1968	386 4	292 6	240 7	1915	1450	1193	1838	1392	1145
1969	382 0	289 0	233 0	1874	1418	1143	1707	1291	1041
1970	401 6	300 8	239 8	1945	1457	1162	1673	1253	999
1971	435 2	325 7	256 5	2083	1559	1228	1717	1285	1012
1972	461 1	340 8	271 9	2185	1615	1289	1744	1289	1029
1973	480 7	349 1	271 2	2257	1639	1274	1696	1232	957
1974	504 0	360 8	280 1	2345	1679	1303	1588	1137	882
1975	587 6	446 3	358 1	2707	2056	1650	1679	1275	1023
1976	664 8	515 8	418 5	3033	2353	1910	1779	1380	1120
1977	729 2	572 5	469 5	3292	2585	2120	1814	1424	1168
1978	797 7	626 2	515 4	3563	2797	2302	1823	1431	1178
1979	852 2	663 6	546 0	3763	2930	2411	1731	1348	1109
1980	936 7	742 8	621 3	4093	3245	2714	1658	1315	1100
1981	1034 7	830 1	698 9	4478	3593	3025	1644	1319	1110
1982	1201 9	991 4	851 9	5152	4250	3652	1782	1470	1263
1983	1415 3	1177 9	1026 0	6013	5004	4359	2015	1677	1461

TABLE FIVE
PRIVATELY HELD FEDERAL DEBT RELATED TO GNP
(DOLLAR AMOUNTS IN BILLIONS OF DOLLARS)

YEAR	GROSS NATIONAL PRODUCT	PRIVATELY HELD DEBT(4)	RATIO OF DEBT TO GNP	YEAR TO YEAR PRICE CHANGES(7)
1929	103 4	16 0	15 5	0
1930	90 7	15 8	17 4	-2 5
1931	76 1	17 7	23 3	-8 8
1932	58 3	19 4	33 3	-10 3
1933	55 8	21 9	39 2	-5 1
1934	65 3	28 0	42 9	3 4
1935	72 5	32 0	44 1	2 5
1936	82 7	35 3	42 7	1 0
1937	90 9	36 6	40 3	3 6
1938	85 0	37 9	44 6	-1 9
1939	90 9	40 1	44 1	-1 4
1940	100 0	42 6	42 6	1 0
1941	125 0	54 0	43 2	5 0
1942	158 5	95 5	60 3	10 7
1943	192 1	142 9	74 4	6 1
1944	210 6	193 1	91 7	1 7
1945	212 4	228 2	107 4	2 3
1946	209 8	206 1	98 2	8 5
1947	233 1	199 1	85 4	14 4
1948	259 5	192 0	74 0	7 8
1949	258 3	197 7	76 5	-1 0
1950	286 5	196 6	68 6	1 0
1951	330 8	193 1	58 4	7 9
1952	348 0	196 8	56 6	2 2
1953	366 8	200 0	54 5	8
1954	366 8	204 2	55 7	5
1955	400 0	204 8	51 2	- 4
1956	421 7	199 4	47 3	1 5
1957	444 0	198 8	44 8	3 6
1958	449 7	204 7	45 5	2 7
1959	487 9	214 8	44 0	8
1960	506 5	212 4	41 9	1 6
1961	524 6	217 8	41 5	1 0
1962	565 0	222 8	39 4	1 1
1963	596 7	223 9	37 5	1 2
1964	637 7	227 0	35 6	1 3
1965	691 1	225 6	32 6	1 7
1966	756 0	227 5	30 1	2 9
1967	799 6	237 3	29 7	2 9
1968	873 4	240 7	27 6	4 2
1969	944 0	233 0	24 7	5 4
1970	992 7	239 8	24 2	5 9
1971	1077 6	256 5	23 8	4 3
1972	1185 9	271 9	22 9	3 3
1973	1326 4	271 2	20 4	6 2
1974	1434 2	280 1	19 5	11 0
1975	1549 2	358 1	23 1	9 1
1976	1718 0	418 5	24 4	5 8
1977	1918 3	469 5	24 5	6 5
1978	2163 9	515 4	23 8	7 7
1979	2417 8	546 0	22 6	11 3
1980	2631 7	621 3	23 6	13 5
1981	2954 1	698 9	23 7	10 4
1982	3073 0	851 9	27 7	6 1
1983	3309 5	1026 0	31 0	3 2

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TABLE SIX
CHANGES IN PER CAPITA REAL GROSS NATIONAL PRODUCT

YEAR	GNP IN BILLIONS OF 1972 DOLLARS	GNP PER CAPITA CONSTANT 1972 DOLLARS(3)	GNP PER CAPITA, CHANGE FROM PREVIOUS YEAR: CONSTANT 1972 DOLLARS	GNP PER CAPITA, CHANGE FROM PREVIOUS YEAR: PERCENT
1929	315 7	2577	0	0
1930	285 6	2310	-267	-10
1931	263 5	2117	-194	-8
1932	227 1	1813	-304	-14
1933	222 1	1763	-51	-3
1934	239 1	1885	122	7
1935	260 0	2036	151	8
1936	295 5	2300	264	13
1937	310 2	2398	98	4
1938	296 7	2275	-123	-5
1939	319 8	2422	147	6
1940	344 1	2582	160	7
1941	400 4	2973	392	15
1942	461 7	3386	412	14
1943	531 6	3847	462	14
1944	569 1	4072	225	6
1945	560 4	3968	-104	-3
1946	478 3	3336	-632	-16
1947	470 3	3220	-115	-3
1948	489 8	3297	76	2
1949	492 2	3257	-40	-1
1950	534 8	3481	225	7
1951	579 4	3707	225	6
1952	600 8	3779	72	2
1953	623 6	3857	78	2
1954	616 1	3743	-113	-3
1955	657 5	3925	182	5
1956	671 6	3937	12	0
1957	683 8	3940	3	0
1958	680 9	3859	-82	-2
1959	721 7	4023	164	4
1960	737 2	4044	21	1
1961	756 6	4084	40	1
1962	800 3	4257	172	4
1963	832 5	4366	110	3
1964	876 4	4536	169	4
1965	929 3	4753	217	5
1966	984 8	4980	228	5
1967	1011 4	5062	81	2
1968	1058 1	5244	182	4
1969	1087 6	5335	91	2
1970	1085 6	5258	-77	-1
1971	1122 4	5372	114	2
1972	1185 9	5621	248	5
1973	1254 3	5891	270	5
1974	1246 3	5799	-92	-2
1975	1231 6	5673	-126	-2
1976	1298 2	5923	250	4
1977	1369 7	6184	261	4
1978	1438 6	6426	241	4
1979	1479 4	6533	107	2
1980	1475 0	6444	-89	-1
1981	1513 8	6552	107	2
1982	1485 4	6368	-184	-3
1983	1534 8	6521	153	2

FOOTNOTES

(1) Data for years 1929-1945 from the Bureau of Economic Analysis, Commerce Department. Data for years 1946 to the present from the Federal Reserve Board Flow of Funds.

(2) Net Federal debt equals gross Federal debt less Federal debt held in U.S. Government accounts.

(3) Per capita debt is calculated by dividing the debt figures by the population of the conterminous U.S. as of December 31 of each year. Beginning 1949, population includes armed forces overseas, Hawaii and Alaska.

(4) Derived by adjusting per capita debt figures for changes in the level of prices, as measured by the Consumer Price Index for all items.

(5) Gross Federal debt is equal to public debt issued by the Treasury plus debt issued by other Federal agencies.

(6) Federal debt held by the public less Federal Reserve holdings of Federal debt.

(7) Measured by the Consumer Price Index for all items, year to year basis.

Sources: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department, and Federal Reserve Board (Flow of Funds).

Note: Detail may not add to totals because of rounding.